
**The Republic of Korea's Country
Partnership Strategy for
the Republic of the Philippines
2016-2020**

The Government of the Republic of Korea

March 2017

Table of Contents

I. Summary	3
II. Priority Areas and Implementation Measures	5
Rural Development	5
Health and Sanitation.....	7
Transport	10
Disaster Prevention and Preparedness	11
III. Assumptions	13
IV. CPS Evaluation Framework	14
V. Mid-Term Allocation Plan.....	15
VI. Partnership Plans	15

The Republic of Korea's Country Partnership Strategy for the Republic of the Philippines

I. Summary

AmbisyonNatin 2040
Eradicate poverty by 2040 tripling per capita GDP



0+10-Point Socioeconomic Agenda (abridged)	
0. Peace and order 1. Continue and maintain current macroeconomic policies 2. Institute progressive tax reform and more effective tax collection 3. Increase competitiveness and the ease of doing business 4. Accelerate annual infrastructure spending to account for 5% of GDP 5. Promote rural and value chain development	6. Ensure security of land tenure 7. Invest in human capital development, including health and education systems 8. Promote science, technology, and the creative arts 9. Improve social protection programs 10. Strengthen implementation of the Responsible Parenthood and Reproductive Health Law



Objectives of the Republic of Korea's Development Cooperation for the Republic of Philippines
The Government of the Republic of Korea will support the Government of the Republic of Philippines realize its socioeconomic agenda by focusing on the following objectives: <ul style="list-style-type: none"> ▪ Sustainable rural development including geographically isolated and disadvantaged areas (GIDA) ▪ Improved access to basic health services, universal health care system, and water management and distribution system ▪ Infrastructure expansion for diverse transport systems ▪ Strengthened disaster prevention and response capacity and disaster risk reduction



Priority Cooperation Areas and Support Plans	Rural Development
	<ul style="list-style-type: none"> ▪ Support the development of GIDA, including its human resources, with the elements of "Saemaoul Undong" ▪ Increase agricultural productivity through the expansion of agricultural infrastructure and technology ▪ Increase agricultural household income by strengthening agricultural product value-chain and distribution system ▪ Promote stable supply of agricultural, industrial, and household water supply by supporting dam and irrigation projects
	Health and Sanitation
	<ul style="list-style-type: none"> ▪ Improve access to health services beyond geographical, social, and economic limitations ▪ Promote healthier lives for children by improving child nutrition ▪ Support efforts to provide stable health care services and establish health care systems ▪ Improve and expand urban and rural water supply and sewerage systems
	Transport
	<ul style="list-style-type: none"> ▪ Support efforts to improve and build airport, seaport, railroad, and road facilities for regional connectivity and sustainable economic growth ▪ Support the strengthening of human resource capacity for the development and implementation of transport sector plans and programs
	Disaster Prevention and Preparedness
	<ul style="list-style-type: none"> ▪ Provide support for disaster prevention to minimize injuries and property damage from natural disasters ▪ Promote capacity-building of agencies involved in disaster management to build a comprehensive disaster response system

1. **(Vision)** The Government of the Republic of Korea's (Korea) development cooperation program will support the Government of the Republic of the Philippines (Philippines) **achieve inclusive and sustainable development.**

2. **(Objectives)** Korea's Country Partnership Strategy (CPS) for the Philippines will focus on promoting rural development, improving access to quality health services and drinking water, expanding transport infrastructure, and strengthening disaster prevention systems.

3. **(Priority Cooperation Areas)** The priority cooperation areas reflect the Philippines' development needs and Korea's comparative advantage and experience in development cooperation. Seventy percent of Korea's bilateral ODA for the Philippines will be allocated to the following priority cooperation areas. The type of ODA will vary from projects, technical assistance, capacity building, and fellowship and training programs.
 - **Rural Development:** integrated rural development, agricultural productivity, basic agricultural infrastructure and support for geographically isolated and disadvantaged areas (GIDA)
 - **Health and Sanitation:** basic health services, universal health care system, prevention and control of non-communicable disease, and water management and distribution systems
 - **Transport:** seaport, airport, railroad, and road transport infrastructure
 - **Disaster Prevention and Preparedness:** disaster prevention and response capacity

4. **(SDGs Implementation)** Korea's development cooperation efforts for the Philippines will be geared toward the country's implementation of the Sustainable Development Goals (SDGs). In particular, the Philippines will be an important partner of Korea for its development cooperation initiatives for the implementation of SDGs in developing countries.
 - **Better Life for Girls:** support for the healthier life and development of girls, with special focus on the Philippines context
 - **Safe Life for All:** support for the prevention and early detection of communicable diseases, and response to public health crisis
 - **New Rural Development Paradigm:** rural development strategy drawing on the success of the Korean experience and innovative entrepreneurship

II. Priority Areas and Implementation Measures

A. Rural Development

1. Needs Assessment

Improving agricultural productivity and rural development is closely linked to national poverty reduction in the Philippines. Recent statistics show that the agriculture sector takes up 10.3% of GDP (2015) and employs 30.4% of the workforce (2014), which is a huge proportion for any industry. However, despite the large proportion of total employment, sectoral productivity remains low.

With 13.1% of the population living below USD 1.9/day in 2012, the importance of rural development and agricultural productivity enhancement is increasing and becoming a key issue for national poverty reduction. The majority of the population working in the agriculture sector is found in small-scale farms with low productivity. In addition, a high average postharvest loss to total production was observed by the Philippine Center for Postharvest Development and Mechanization (PHilMech). According to the survey, the post-harvest losses ranged from 14.8% for rice, 28% for fruits, 42% for vegetables, to 20-40% for fisheries.

Chronic poverty in the rural Philippines is burdened by external challenges, ranging from frequent natural disasters including floods and typhoons to land ownership and governance issues. Apart from the external challenges, the low agriculture productivity in the Philippines is also affected by the limited land for farming as compared to total land area¹, and low level of irrigation², poor road transport infrastructure, and low level of agricultural mechanization. Coupled with the high population growth (1.9%), the extremely low agricultural productivity is putting a strain on national food security.

Recently, the Department of Agriculture (DA) is placing an additional emphasis on the production of aqua and marine products. Despite having abundant marine resources and one of the world's longest shorelines at 39,285 km, the Philippines is still importing aqua and marine products. The production of fishery products is being intensified in order to ensure national food security and to cope with the growing demand in the local and foreign markets.

The low level of irrigation and inefficient water allocation for agriculture remains to be a challenge for agricultural sector development. The Philippines enjoys a tropical marine climate and is endowed with abundant water reserves, with around 2,348 mm of precipitation a year and 247 rivers and thousands of streams. However, water reserves and irrigation for agriculture is yet to be effectively managed. Moreover, the unpredictable weather changes from dry to typhoon season, as well as erratic regional water reserve conditions are playing a role

¹ The Philippines is an archipelago composed of more than 7,000 islands, with mountainous ranges. The farmland covers 44.5% of the territory while rice farmland is only around 47,000 km².

² Only 56% of farmlands are irrigated (2014).

innationwide conflicts over water rights.

Recognizing the importance of food security, the Department of Agriculture stated that “available and affordable food” is its mission in 2016. Highlighting the importance of food security for all Filipinos, the Department of Agriculture is envisioning to implement programs focused on staple crops and cash crops for export. For the program on staple crops, the Rice Productivity Enhancement (RIPE) program is developing irrigation expansion, nationwide soil analysis, high quality seed distribution, and agricultural technology enhancements as its components. The cash crops program will be geared towards improving productivity for coconut, banana, pineapple, and other high-value crops.

Conscious and continuous efforts to conserve environment and natural resources (ENR) is essential for inclusive and sustainable growth. Deforestation strongly affects the rural communities as it has a strong negative impact on watersheds. Water runoff, soil erosion, and siltation pose threats to coral reefs and marine production. While agricultural and rural development is an important component of the development plan in the Philippines, a long-term perspective needs to be taken in order to protect and conserve the environment. The responsible use of land and water resources should be promoted in order to achieve sustainable growth especially in rural resource-dependent communities.

2. Implementation Strategy

The development cooperation projects in the Philippines will place great emphasis on the local context. The Government of Korea will build upon the past and present experiences of rural and agricultural development projects in the Philippines and will continue to engage with local government units (LGU). Some of the recent experiences are as follows:

- a. **GIDA development:** “Quirino Integrated Agricultural Development Project” (‘13-‘17/USD 5 mil.) and “Panay Island Upland Sustainable Rural Development Project” (‘15-‘19/USD 6.5 mil.)
- b. **Irrigation and water resource management:** “Adapting to Climate Change Impacts through the Construction of Water Impounding Facilities” (‘10-‘17/USD 21.76 mil.)
- c. **High-quality seed supply:** “Enhancing the Capacity of Production and Distribution of High-Quality Rice Seeds” (‘13-‘17/USD 4 mil.)
- d. **Comprehensive water resource management:** “Jalaur River Multi-Purpose Dam Project” for irrigation, hydropower generation, and drinking water supply in Iloilo Province

In order to contribute to the rural development of the Philippines, the Korean government will focus on the following:

- a. Support the development of geographically isolated and disadvantaged areas (GIDA), utilizing the “SaemaoulUndong” model. The “SaemaoulUndong” approach will be localized to be easily adapted in the Philippine context.
- b. Increase agricultural productivity through the expansion of agricultural infrastructure and technology
- c. Increase agricultural household income by strengthening agricultural product value-chain and distribution system
- d. Promote a stable supply of agricultural, industrial, and household water by supporting the rehabilitation and construction of dams and irrigation systems
- e. Promote climate change adaptation and disaster risk reduction in rural development projects to increase the farmers and fisher folks’ understanding and preparedness
- f. Promote conservation of natural resources and apply forest and watershed rehabilitation methods in rural development projects with irrigation components

B. Health and Sanitation

1. Needs Assessment

National health indicators such as infant, under-five, and maternal mortality rates are gradually improving due to the Philippines’ past focus on equal and universal health services. The government drive for health services is noted in the budget of the Department of Health (DOH) which has shown a sharp increase from Php31.8 billion in 2011 to Php122.6 billion in 2016. The enrollment rate of national health insurance (PhilHealth) has made remarkable progress reaching 92% of the general population through the subsidies for the underprivileged and senior citizens.

Despite these improvements, the challenge to improve health indicators and resolve urban-rural disparity and unequal opportunity to health services based on income and education level remains. The maternal mortality is still high at 114 deaths per 100,000 live births (2015) which is approximately twice the western pacific regional average of 49. Meanwhile, 21.4% of infants born are underweight according to the 2013 National Nutrition Survey. Moreover, **the Philippine government emphasizes the need to address all life stages and the triple burden of disease —communicable diseases, non-communicable diseases, and diseases of rapid urbanization and industrialization—faced by Filipinos in the Philippine Health Agenda 2022 (2016-2022).**

Special attention to basic health services is needed for the Geographically Isolated and Disadvantaged Areas (GIDAs) and indigenous peoples (IP) in

order to reduce the disparity in regional health care. According to the 2013 National Demographic and Health Survey, infant and under-five mortality rates in urban areas were 19 and 25 deaths per 1,000 live births while it is 28 and 38 in rural areas. In addition, the provision of maternal and infant health services is a priority goal of most regional health authorities as the fertility rate of rural areas (3.5) is higher than urban areas (2.6) and the national average (3) in 2013.

In addition, the Government of the Philippines is aiming to reach the 100% rate of households with access to safe drinking water by 2025. The Philippine Statistics Authority's (PSA) data indicates that 85.5% of households has access to safe drinking water in 2014. The government's strong drive for equitable water supply allocation and expansion of clean water supply services to rural communities in the country should be taken note of. At the moment, the Philippine government aims to establish an integrated 3D GIS-based Water Resources Management Information System to ensure water security in the country. Water supply services are being operated by various stakeholders ranging from the government, government-owned and controlled corporations, to small and large-scale concessionaires. The sector is beset by serious issues such as aging water supply network conditions, leaky water distribution systems, illegal connections, and water contamination. Furthermore, excessive and unauthorized withdrawal of groundwater is causing the drop of groundwater levels in major cities (Metro Manila, Cebu, and Davao City) and the intrusion of saltwater in coastal regions.

Recognizing the importance of the health sector in human and social development, the Philippine government has recently launched the "Philippine Health Agenda 2016-2022" which envisions "All for Health towards Health for All." The agenda aspires to reach the following goals:

- a. Financial protection: Filipinos, especially the poor, are protected from the high cost of health care
- b. Better health outcomes: Filipinos attain the best possible health outcomes with no disparity
- c. Responsiveness: Filipinos feel respected, valued, and empowered in all of their interactions with the health system

The agenda has set the following guarantees to achieve its goals:

- a. All life stages and triple burden of disease (services for both the well and sick)
- b. Service delivery network (functional network of health facilities)
- c. Universal health insurance (financial freedom when accessing services)

2.Implementation Strategy

The Republic of Korea's experience in implementing health facility improvement projects and tuberculosis (TB) projects in the Philippines started in the early 2000s. Since 2010, additional focus was given to maternal health and community health service capacity building programs. The following projects are some of the on-going projects:

- a. **Basic health services:** "Iloilo Geographically Isolated and Disadvantaged Areas(GIDA) Health System Strengthening Project"('13-'17/USD 7 mil.) and "Capacity Building of Community Health Educators in the Philippines" ('16-'18/USD 0.88 mil.)
- b. **Maternal health:** "Integrated, Equity Focused Service Delivery for Accelerated Improvement of Maternal and Newborn Health"('15-'18/USD 3 mil.)
- c. **Referral system:**"Rehabilitation of the Felipe Abrigo Memorial Hospital and Strengthening of the GuiuanInterlocal Health Zone" ('15-'19/USD 4.8 mil.) and "Interoperable Health Information System for Region 4A-CALABARZON" ('14-'18/USD 5 mil.)
- d. **Water supply:** "Improved Decision Making using GIS Operation and Management" (capacity building program)

In order to contribute to improved access to basic health services and clean drinking water in the Philippines, the Korean government will focus on the following:

- a. Improve access to health services, including child and maternal health, non-communicable disease beyond geographical, social, and economic limitations
- b. Promote healthier lives for children by improving child nutrition
- c. Support efforts to provide stable health care services and establish health care systems including strengthening the capacity of research and health human resource education
- d. Improve and expand the urban and rural water supply, water quality monitoring, and sewerage systems

C. Transport

1. Needs Assessment

The development of the transport sector is critical to the Philippines' economic development, as the country's archipelagic nature requires different modes of transportation in connecting people nationwide. With strong economic growth, certain area such as the airline industry has shown remarkable progress over the past decade. Based on the Global Competitiveness Report 2016-2017, the country ranked 27th place out of 138 countries in terms of availability of flights.

However, growth of the transport industry does not necessarily lead to the enhancement of related infrastructure. Regarding the airline industry, the local airport infrastructure and its management remains underdeveloped and poorly maintained, hindering the development of local growth areas.

Ports, roads, and railroad infrastructures are also in need of improvement. Underscored in the Global Competitiveness Report 2016-2017, the Philippines transport infrastructure is showing a declining trend, globally ranked in 90th place out of 138 countries. The quality of roads, railroad, and port infrastructure are also facing declining trend with scores rating 3.1, 2.0, and 2.9 out of 7, respectively.

Recognizing the importance of a strong government drive for infrastructure development, the Duterte administration has committed 5% of its annual GDP to infrastructure spending under the 10-Point Socioeconomic Agenda. The administration is also committed to a balanced national development through increased connectivity. It looks forward to expanding airport facilities and decreasing congestion in the Manila ports. In addition, it is committed to constructing roads to connect farmlands to the local marketplace, thereby helping raise agricultural household income.

The safety of inter-island transport continues to be an important issue as maritime accidents generate tremendous human and material damages. While some accidents originated from natural causes like typhoons, the lack of a marine traffic management system, low competitiveness of vessel and freight maintenance, and poor ship conditions also caused maritime accidents, with an average of 160 cases occurring annually.

The transport system in a rapidly urbanizing city, such as Metro Manila, suffers from serious traffic, as the city has not connected commercial areas and its periphery with diverse transport modes effectively. The burden is a herculean task, which necessitates consideration to the mobility needs of a massive population and the logistics system of a mega city. The Duterte administration has taken a positive step by approving a number of projects including the establishment of Bus Rapid Transit (BRT) system.

2. Implementation Strategy

Korea's national transportation network development has been closely linked with the national land development plan. The Republic of Korea has experience in establishing a national transport network within a short period. It has also shown its expertise in constructing railways and tunnels to improve regional connectivity. The lessons learned could be applied in projects in the Philippines. Some of the past and on-going projects include:

- a. **Maritime network:** "Master Plan for a Maritime Navigation Facility" and "Masterplan on the Development of Aids to Navigation in Luzon and Visayas" ('14-'17/USD 2.2 mil.)
- b. **Road network:** "Establishment of a National Integrated Vehicle Inspection and Management System" ('12-'13/USD 1.1 mil.), "GSO Road Project," "Samar Pacific Coastal Road Project ('14-'19/USD 20.63 mil.)," and "Pangul Bay Bridge Project" ('16-'20/USD 100.13 mil.)
- c. **Airport:** "Master Plan Study for the Development of a National Airports in the Philippines" ('14-16/USD 2.5 mil.), "Feasibility Study for the New Passenger Terminal and Master Plan for the Mactan-Cebu International Airport" ('10-'11/USD 1.1 mil.), "Laguindingan Airport Development Project" and "Puerto Princesa Airport Development Project" ('12-'17/USD 71.61 mil.)

Korea plans to make further contributions to enhance transport access by:

- a. Supporting efforts to improve and build airport, seaport, railroad, and road facilities for regional connectivity and sustainable economic growth
- b. Supporting the strengthening of human resource capacity for the development and implementation of transport sector plans and programs

D. Disaster Prevention and Preparedness

1. Needs Assessment

The frequent occurrences of natural disasters is one of the major factors that hinder the Philippines' national development. According to the 2015 World Risk Report, the Philippines is ranked 3rd in terms of exposure to disaster risks. An average of 20 typhoons and floods occur and generate tremendous material damage and injuries. The damage to private and public assets is much greater than those suffered by the neighboring ASEAN countries. The typhoon "Haiyan" of 2013 resulted in about 8,000 cases of injuries and death. The experience brought by the onslaught of Haiyan showed there is a large need for assistance in developing a local capacity for designing coastal defense projects in consideration of the agricultural and fisheries sectors, the sectors most vulnerable to disaster due to climate change,

in support of disaster prevention.

In order to provide a legal basis for policies, plans, and programs to deal with disasters, the Philippine Disaster Risk Reduction and Management (DRRM) Act was enacted in 2010. The Act enabled the establishment of the National Disaster Risk Reduction and Management Plan (NDRRMP) 2011-2028 which covers (1) Disaster Prevention and Mitigation; (2) Disaster Preparedness; (3) Disaster Response; and (4) Disaster Rehabilitation and Recovery.

Further mainstreaming of disaster prevention strategies is needed, together with the delegation of roles among disaster management-related organizations. Effective weather forecasts and early warning systems need to be built for effective disaster risk reduction (DRR). Climateproof telecommunication infrastructures and effective communication systems to ensure timely delivery of information to communities before, during, and after disasters are essential to full implementation of DRR strategies. As a response to this need, the international community provided post-disaster rehabilitation support while the local governments have increased the number of community-based DRR capacity building projects.

2. Implementation Strategy

The Republic of Korea's experience in its own flood warning system operation since the 1970s and its recent support to the Philippines' DRR can serve as an important basis for its development cooperation with the Philippines in the disaster prevention sector. The following are some of the on-going projects in the Philippines:

- a. **Early warning system:** "Automation of Flood Early Warning System for Disaster Mitigation in the Greater Metro Manila" ('15-'18/ USD 5.2 mil.)
- b. **Weather forecast and analysis:** "Establishment of Communication, Ocean, and Meteorological Satellite (COMS) Data Analysis System" ('13-'16/USD 4mil.)
- c. **Climate change adaptation:** "Integrated Disaster Risk Reduction and Climate Change Adaptation Measures in the Low Lying Areas of Pampanga Bay" ('17-'20/USD 80 mil.)

In order to contribute to the disaster risk reduction of the Philippines, the Korean government will focus on the following:

- a. Provide structural and non-structural support for disaster prevention to minimize injuries and property damage from natural disasters, including climate proof telecommunication infrastructures and local capacity building in designing coastal defense projects
- b. Promote capacity-building of agencies, including local government units (LGUs), involved in disaster management to build a comprehensive disaster response system with consideration to vulnerable agricultural and fisheries sectors

III. Assumptions

The following critical assumptions may affect the Republic of Korea's strategy and approach to development cooperation in the Philippines.

1. The Philippines is **extremely vulnerable to climate change and natural disasters**. Typhoons, floods, droughts, and earthquakes frequently occur all over the country, putting life and property at risk and severely hampering agricultural production, water resources management, health services delivery, and infrastructure development. Exposure to climate change and disasters would be considered in the planning and implementation of projects. Local plans and policies to mitigate the effects of climate change and disasters would be strictly followed. Infrastructure support would comply with the Philippine building codes and the "build back better" principles.
2. **The uncertainty in peace process for conflict-affected areas of Mindanao** would hinder aid implementation and monitoring. Despite the encouraging progress on the peace process, many political challenges need to be addressed and the security environment remains to be volatile in the Mindanao Region. The failure or stoppage of the peace process may result in an increase in violence and weakened opportunities for human and economic development. Projects in Mindanao would be designed to have the flexibility to support changes and unforeseen opportunities and needs.
3. **In the past, the lengthy project approval and budget release processes** has caused delays in implementing programs and projects. Many delays have been observed on local counterpart's implementation, which unfortunately led to distortion of the implementation of project activities. In the spirit of partnership and local ownership, these issues would be taken into account and discussed with the local counterpart agencies during the project design and preparation processes.

IV. Country Partnership Strategy (CPS) Evaluation Framework

Ambisyon Natin 2040 Eradicate poverty by 2040 tripling per capita GDP				
CPS Strategic Goals				
Priority Areas	Goals	Challenges	Achievements	Evaluation Index
Rural Development	Sustainable rural development including geographically isolated and disadvantaged area (GIDA)	-Chronic poverty in GIDA -Low irrigation level	-Income increasing project -Capacities for irrigation strengthened	CPS Conformity (whether a project has been appropriately identified and developed in accordance to CPS goals) Project Implementation Status (whether projects have been implemented in alignment with CPS)
Health and Sanitation	Improved access to basic health services, universal health care system, and water management and distribution system	-Poor social infrastructure and huge gap between the urban and rural areas -Lack of stable and sanitary water supply facilities	-Regional access to health and relevant personnel capacities improved -Safe and stable water supply and treatment system and facilities developed	
Transport	Infrastructure expansion for diverse transport systems	-Low level of transport infrastructure -Lack of capacities in developing sectoral plans	-Improved seaport, airport, railroad, and road infrastructure -Policy development capacity strengthened	
Disaster Prevention and Preparedness	Strengthened disaster prevention and response capacity and disaster risk reduction	-Lack of effective infrastructure -Lack of capacities in relevant agencies	-Development of a climate analyzing and early warning system -Development of a customized DRR masterplan for LGUs of disaster-prone areas	
Assumptions		1. High vulnerability from climate change and natural disasters 2. Uncertainty in peace process for conflict affected areas of Mindanao 3. Possible prolonged project approval and budget release processes		

V. Mid-Term Allocation Plan

(Financial Resources) At least 70% of Korea's ODA will be dedicated to priority cooperation areas. Some flexibility will be applied in order to accommodate urgent humanitarian needs and socio-economic changes in the Philippines.

Also, resource allocation will be adjusted based on program implementation, interim monitoring, project delays, policy dialogues, and other possible changes in circumstances.

Budget allocation could also be adjusted during budget discussions and project planning stages, and is subject to parliamentary decision.

VI. Partnership Plans

1. Partnership with Other Donors

The Republic of Korea is committed to promoting partnership and exchange of information with other donors. The Korean government will participate in various donors' meetings and working groups on agriculture, health, climate change, and infrastructure under the Philippines Development Forum.

2. Partnership with the private sector

The Korean government will promote corporate social responsibility projects, partnerships with local NGOs, universities, research institutes, and businesses to strengthen network and local capacities.

3. Coordination by the Korean Embassy in the Philippines

The Korean ODA council presided by the Korean Embassy in the Philippines will explore possibilities of coordination between grants, loans, and other opportunities for harmonization of programs and projects.

